

MARKETS II

Quarterly Progress Report

July - September 2012



October 30, 2012

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QUARTERLY PROGRESS REPORT

**MAXIMIZING AGRICULTURAL REVENUE AND KEY ENTERPRISES
IN TARGETED STATES (MARKETS) II**

JULY - SEPTEMBER 2012 REPORT

Contract No. AID-620-C-12-00001

Submitted to USAID/Nigeria Mission

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CONTENTS

ACRONYMS.....	2
MARKETS II QUARTERLY HIGHLIGHTS	3
I. BACKGROUND	6
II. PROGRESS AGAINST TARGETS	7
Program Area 1: Producers' Capacity Development and Organizations Strengthened	7
Program Area 2: Access to Agricultural Inputs Increased	14
Program Area 3: Technology Generation and Deployment Expanded	15
Program Area 4: Water and Soil Management Strengthened.....	17
Program Area 5: Access to Finance Increased	17
Program Area 6: Grants and Subcontracts Fund	19
Program Area 7: Program Modifier/Rapid Response Mechanism	20
Cross-Cutting Issues	20
III. PROJECT MANAGEMENT.....	22
IV. NEXT QUARTER RESULTS AND RELATED TASKS	23
Program Area 1: Producers' Capacity Development and Organizations Strengthened	23
Program Area 2: Access to Agricultural Inputs Increased	24
Program Area 3: Technology Generation and Deployment Expanded	24
Program Area 4: Water and Soil Management Strengthened.....	24
Program Area 5: Access to Finance Increased	24
Program Area 6: Grants and Subcontracts Fund	24
Cross-Cutting Issues	24
ANNEX 1. PERFORMANCE DATA TABLE FOR JULY – SEPT 2012.....	26
SUCCESS STORY: FARMER AFFORDS BETTER LIVING STANDARD....	27
SUCCESS STORY: FARMER GROUP ENRICHES LIVELIHOOD	28
SUCCESS STORY: TRAINING BOOSTS FARMER'S LIVELIHOOD	29

ACRONYMS

ADP	Agricultural Development Project
AMP	Aba Malting Plant
ATA	Agricultural Transformation Agenda
BoA	Bank of Agriculture
BtM2	Bridge to MARKETS 2
CBN	Central Bank of Nigeria
DCA	Development Credit Authority
EDC	Economic Development Centre
FCT	Federal Capital Territory
FMARD	Federal Ministry of Agriculture and Rural Development
FtF	Feed the Future
FVP	Fertilizer Voucher Program
GCL	Grand Cereals Limited
GoN	Government of Nigeria
GSF	Grants and Subcontract Fund
IAR	Institute for Agricultural Research
IDIPR	Ijebu Ode Initiative for Poverty Reduction
IFDC	International Center for Soil Fertility and Agriculture Development
LGA	Local Government Area
MARKETS	Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites
MEF	Micro Enterprise Fundamentals
MFB	Microfinance Bank
MFI	Microfinance Institution
MoU	Memorandum of Understanding
NAEC	Nigerian Agricultural Enterprise Curriculum
NCRI	National Cereals Research Institute
NIRSAL	Nigeria Incentive-based Risk Sharing for Agricultural Lending
NPAFS	National Program for Agriculture and Food Security
PEPFAR	President's Emergency Program for AIDS Relief
PIND	Partnership Initiatives in the Niger Delta
PIR	Project-level Intermediate Results
PMP	Performance Monitoring Plan
POP	Package of Practices
PPP	Public-private partnership
RFP	Request for Proposals
RfQ	Request for Quotations
RPC	Regional Production Coordinator
RSSDA	Rivers State Sustainable Development Agency
SO	Strategic Objective
ToR	Terms of Reference
ToT	Training of Trainers
UDP	Urea Deep Placement
USG	United States Government
USAID	United States Agency for International Development

MARKETS II QUARTERLY HIGHLIGHTS

Value Chain Analyses States

Cassava	<i>Edo, Ogun, Oyo, Ondo</i>
Cocoa	<i>Ondo, Oyo, Osun, Cross River</i>
Rice	<i>Jigawa, Kano, Kebbi, Anambra, Ebonyi, Benue</i>
Aquaculture	<i>Edo, Osun, Oyo, FCT</i>
Sorghum	<i>Kano, Katsina, Kaduna</i>
Maize (sub Value chain)	<i>Kaduna, Plateau, Nassarawa</i>
Soybean (sub value chain)	<i>Niger, Kaduna, Nassarawa, Benue</i>



Cross-section of a value chain analysis focus group discussion

MARKETS II Conducts Value Chain Analyses

This quarter, MARKETS II formed value chain assessment teams for rice, sorghum, aquaculture, cocoa, soybean, maize, and cassava. The teams were trained on analysis, elements of a good report, and data collection techniques to be used with farmers and agroprocessors. Questionnaires were drafted, and work and travel plans were developed, giving way to field exercises that took the teams through the various geopolitical zones of the country.

Field activities ended on September 7th and all data were entered into a database for evaluation. Half day validation workshops were held in Abuja between September 17th and September 20th, attended by seventy three stakeholders. Participants at the workshops created strategic priorities for each commodity which will guide MARKETS II's value chain intervention efforts. A first draft of the value chain reports have been completed and submitted to USAID for review and feedback.

MARKETS II Conducts Environmental Assessment of Rice Partners' Mills

MARKETS II took an assessment trip to new partner MIKAP Nigeria's rice mill in Makurdi, Benue state. The visiting team was taken around the mill's flow line which comprises of an intake pit, paddy cleaner buffer tank, soaking tanks, drying, milling intake, rough rice tank, destoner, huller, paddy separator, brown rice tank, polisher, broken separator, color sitix, and packaging of head rice. MARKETS II observed that the company's effluent, created at parboiling stage is discharged into an open channel that runs into the river Benue. MARKETS II recommended better handling of effluent discharge out of the factory premises, and the installation of air extractors in the factory to eliminate dust. MIKAP produces husks which are not being properly managed. It is now in talks to with another firm that wants the husks for heat generation for paddy parboiling and drying.

MARKETS II visited partner UMZA Rice Mills in Kano. The firm has added a second production line to its factory and now mills 12 MT/hour, increasing daily production from 600 bags per day to 4,000 bags. UMZA also bought a new effluent treatment plant that will enable it to recycle and reuse water to generate steam; in place of discharging it into nearby fields. In addition, the firm has installed machinery that collects and compacts dust generated from the mill for use as organic fertilizer.

Snapshot of Q4 Green Field Demonstrations

Rice	<i>Jigawa, Kano, Sokoto, Kebbi, Anambra, Kwara, Ebonyi and Benue</i>
Maize	<i>Kaduna</i>
Sesame	<i>Jigawa, Bauchi, Taraba</i>
White sorghum	<i>Kano, Kaduna</i>
UDP	<i>Kano, Jigawa, Kwara, Benue, Anambra, Ebonyi, Sokoto, Kebbi</i>



Demonstrating improved agronomic practices in addition to theoretical trainings for farmers have increased yields across value chains.

Green Field Day Activities across Value Chains

MARKETS II facilitated green field day demonstrations for rice, maize, sesame, and sorghum farmers to showcase best agronomic practices and the positive effects of applying modern techniques to farm fields. Using the project's package of practices (PoP), plots cultivated under improved technologies and management practices were assessed and compared to other plots cultivated under conventional methods. During the rice field in Kano and Jigawa states, the urea deep placement (UDP) technology was introduced and its advantages highlighted. Notore was in attendance and spoke on the availability of urea super granules (USG) and where to locate dealers. Lead farmers were also given trial 1kg bags of USG each by Notore, and a UDP Technology Farmer's Manual. The maize field demonstrations in Kaduna were attended by farmers, staff of SG 2000, 24 extension agents, and District Heads. Host farmers shared the steps taken on their farms. In Jigawa, Bauchi, and Taraba states the green field days for sesame farmers were well attended by female farmers and youth, as well as during the rice demonstrations in Kwara, Benue, Anambra, and Ebonyi states. For the sorghum demonstrations held in Kano and Kaduna states two out of the three demonstration farms used belonged to female lead farmers.

MARKETS II Trains Middle Belt Rice Farmers

MARKETS II completed the 2012 preseason training rounds with a training organized for networked rice farmers in the middle belt region. Hundreds of lead farmers from communities in Kwara, Benue, Anambra, and Ebonyi states participated in trainings on modern improved cultivation techniques. The trainings covered sub topics that encompassed site selection, land preparation, minimum and zero tillage operations, seed variety selection, germination test for recommended seeds, nursery establishment, transplanting, gap filling and thinning, weed control using both manual and agro-chemical methods, fertilizer application, pests and diseases control, water management/bonding, rouging, harvesting, threshing, cleaning of threshed grains, drying of cleaned paddy, bagging, storage of paddy, farm planning and record keeping practices. MARKETS II also introduced the Urea Deep Placement (UDP) method to farmers by demonstrating the Urea Super Granule (USG) application technique.

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ACTIVITY SUMMARY	
Implementing Partners: Chemonics International Inc. (prime contractor); International Fertilizer Development Center, Winrock International, Making Cents International, and ShoreBank (subcontractors)	
Activity Name: Maximizing Agricultural Revenue and Key Enterprises in Targeted States (MARKETS) II	
Activity Objective: MARKETS II is a five year agriculture value chain project designed to alleviate poverty and improve food security. MARKETS II, continuing the legacy of MARKETS and BtM2, is providing technical support to value chain, credit, capacity building, household strengthening, and gender integration activities by focusing on improving rural livelihoods through the expansion of economic opportunities in the agricultural sector, especially for women and youth and increasing the competence of local partners. As part of the United States Government's Feed the Future Program, MARKETS II is promoting improved productivity, value-added processing, technology adoption and commercialized agriculture with the aim of increasing sales and jobs for agriculture-related businesses.	
USAID/Nigeria SO12: "Livelihoods in selected areas improved"	
Life of activity (start and end dates): April 18, 2012 to April 16, 2017	
Total estimated contract/agreement amount: \$60,732,079	
Obligations to date: \$21,217,699	
Current pipeline amount: \$3,180,874 *	
Accrued Expenditures this quarter: \$1,782,220*	
Activity cumulative accrued expenditures to date: \$3,180,874 *	
Estimated expenditures next quarter: \$3,035,869	
Report Submitted by: Harvey Schartup, COP. Submission Date: October 30, 2012	

*Figures are based on partial estimates as invoices for September are not yet available.

I. BACKGROUND

Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) II is a five year agricultural project designed to build on the successes of the previous private sector-led USAID-funded MARKETS and BtM2 projects by strengthening agricultural competitiveness and food security in Nigeria. The project is funded under the United States Government's (USG) Feed the Future (FtF) initiative.

For the first year, MARKETS II's value chain efforts will target four commodities; white sorghum, rice, maize and sesame in Kwara, Anambra, Ebonyi, Benue, Bauchi, Kano, Kaduna, Katsina, Jigawa, Kebbi and Sokoto states. In the course of the first year, through various selection criteria and value chain analysis, MARKETS II will select between four to six commodities and 10 states to work on through the life of the project. Sample interventions on the project include:

- Train farmers on improved modern agronomic practices including farmer-led field demonstrations which show the impact of improved agronomic practices.
- Build the capacities of financial institutions and private sector partners to facilitate farmers' access to credit through commercial banks and microfinance institutions, access to seed and fertilizer through private sector dealers, and a market linkage to agro processors.
- Ramp up and expand on successes such as the fertilizer voucher program and outgrower activities with a range of Nigerian and international processors, build new partnerships to develop sustainable buyer-farmer linkages, and foster replication by GoN, donors, and the private sector.
- Maximize the MARKETS approach to unleash the potential of agriculture in the Niger Delta Region in collaboration with the Foundation for Partnership Initiatives in the Niger Delta (PIND).

MARKETS II addresses sector-wide value chain constraints by improving the capacity of the Nigerian government to develop sound agricultural policies, bringing together value chain stakeholders to work on increased productivity and to lobby for policy change, and increasing access to seed, fertilizer, and credit through improved linkages. MARKETS II is managed by Chemonics International Inc. with international and local subcontractors.

- International Fertilizer Development Centre (IFDC) is assisting farmers to access quality agro-inputs and adopt more beneficial farm practices designed to increase productivity and return nutrients to depleted soils. IFDC is also working in partnership with state governments to implement the fertilizer voucher program, and offers support to the government of Nigeria on the Growth Enhancement Support (GES) scheme.
- Making Cents International is contributing to the development and revision of existing training curriculum, especially in the context of adult literacy. Making Cents is also assisting with enterprise development activities involving livelihoods and nutrition farmer training programs and targeted finance activities directed at women and youth.
- Winrock International is supporting activities in select value chains and in agricultural inputs. Winrock is also leading the development and rehabilitation of water and irrigation systems in Nigeria, in addition to promoting sustainable water and soil management.
- ShoreBank International with its experience working in Nigeria and other West African countries is providing technical assistance to MARKETS II on expanding its existing range of financial products and services with the aim of increasing smallholders' and agribusinesses' access to credit.
- Diamond Development Initiative (DDI) worked as a local subcontractor on MARKETS and BtM2 projects, managing the projects' outgrower schemes for the white and yellow sorghum, rice and sesame value chains. DDI is continuing to offer similar services from its new position as an international subcontractor.

II. PROGRESS AGAINST TARGETS

Major activities this quarter centered on fast track activities and value chain analyses. MARKETS II conducted preseason trainings for Middle Belt rice farmers and conducted green field demonstrations for sesame, white sorghum, maize, and rice farmers in Anambra, Kwara, Ebonyi, Benue, Kano, Kaduna, Kebbi, Jigawa, Bauchi, and Sokoto states. Staff of MARKETS II and local consultants formed seven assessment teams for the rice, sorghum, aquaculture, cocoa, soybean, maize, and cassava value chains. The teams were trained on analysis, elements of good reporting, and data collection techniques for meetings with farmers and agro processors. The analyses took teams to Oyo, Edo, Ondo, Ogun, Kano, Jigawa, Kebbi, Anambra, Ebonyi, Katsina, Kaduna, Delta, Osun, FCT, Lagos, Plateau, Nassarawa, Benue, Cross River, and Niger states. Collected data was inputted into a database, and half-day validation workshops were held for each commodity. Draft reports are being developed and will be submitted to USAID on October 12th. Other trainings held this quarter include a training of trainers (ToT) workshop on microenterprise fundamentals (MEF), a 4-day curriculum adaptation and development workshop for selected certified NAEC trainers, PIND staff, and MARKETS II staff. A training on rice seed production techniques for NOTORE's outgrowers was also held. MARKETS II also commenced institutional capacity assessments of local service providers and has completed the assessment of Sasakawa Global 2000 in Kano and EGALF Ventures Limited in Makurdi. The three other service providers will be assessed in the coming quarter. The cumulative results of the assessments will guide the designing of a framework for building each organization's capacity.

Below are the indicators and key results associated with MARKETS II's program objective of promoting agricultural development through increased private sector participation and investment, raised incomes, increased employment, attainment of food security, and reduced poverty.

Program Area 1: Producers' Capacity Development and Organizations Strengthened

Rice

MARKETS II is providing support to private sector partners and rice farmers in the northern (Kano, Jigawa, Sokoto, and Kebbi) and middle belt (Benue, Kwara, Ebonyi and Anambra) rice regions. The following activities were carried out this quarter under the rice value chain:

- MARKETS II facilitated green field demonstrations for farmers in Kano, Kebbi, Sokoto, and Jigawa states. Using the rice package of practices (PoP), plots cultivated under improved technology were assessed and compared to other rice plots, allowing farmers to observe the differences. To encourage the participation of women, all demonstration plots used in Kano, Kebbi, and Jigawa were owned by female farmers. The urea deep placement (UDP) technology was also introduced, highlighting its advantages over the conventional fertilizer application methods. Notore spoke on the availability of urea super granules (USG) and the location of dealers, while Popular Rice Mill assured farmers of paddy buyback. Lead farmers present were given trial 1kg bags of USG each by Notore, and a UDP Technology Farmer's Manual.
- MARKETS II conducted preseason trainings for lead rice farmers in the middle belt states of Kwara, Benue, Anambra, and Ebonyi. In addition to teaching farmers best agronomic practices, farmers were introduced to the Urea Deep Placement (UDP) method by demonstrating the Urea Super Granule (USG) application technique.
- MARKETS II conducted green field demonstrations for rice farmers in Kwara, Benue, Anambra, and Ebonyi states. The field days were held to demonstrate the adoption of best agronomic techniques and to showcase the positive effects of improved production technologies on rice cultivation.
- MARKETS II met with the Chief Agronomist for Popular Farms and Mills Limited in Kano state to discuss the firm's plans for paddy purchase. According to Popular Farm's financial and production plan, paddy procurement will commence from October 31. The Chief Agronomist expressed appreciation that farmers had completed payment for the 2,000kg of

subsidized Faro 44 seeds given to them by Popular Farms at the beginning of the cropping season.

- MARKETS II met with representatives of Food, Agro and Allied Industries (FAAI), lead farmers, and the new sorghum Regional Production Coordinator - TECHNI Seeds Limited. Discussions were centered on individual expectations from the 2012 Kano sorghum outgrowers scheme. FAAI said it requires about 30,000MT of white sorghum this year with the possibility of an expansion to 50,000MT next year. They also gave specifications of the type and quality of sorghum needed and details of the firm's procurement and payment processes. Farmers present were pleased to hear that buyback will go on as planned.
- MARKETS II visited partner UMZA Rice Mills in Kano. The firm has added a second production line to its factory and now mills 12 MT/hour, increasing daily production from 600 bags per day to 4,000 bags. The mill has also added two new rice brands; *King's Choice* and *Queen's Trade*. UMZA has bought a new effluent treatment plant that would enable it to recycle and re-use water to generate steam instead of discharging it into nearby fields. In addition, the firm has installed machinery that collects and compacts dust generated from the mill for use as organic fertilizer.
- MARKETS II facilitated training on rice seed production techniques for NOTORE's seed outgrowers. The training outline included modules on land requirement, classes of seed and seed selection for production, isolation distance, roughing at the vegetative and reproductive stages, seed sowing, nursery management, transplanting, spacing, fertilization types and application timing, weed control, crop care, pest control and diseases, and post-harvest handling. A module was also delivered on seed registration and certification, facilitated by a representative of the National Seed Council.

Sesame

MARKETS II is providing technical support to farmers in Bauchi, Jigawa, and Taraba states. Buyback partner Olam Nigeria handles the procurement of sesame, its cleaning, and exportation. This quarter's major activity includes:

- Conducted green field demonstrations for sesame farmers in Jigawa, Bauchi, and Taraba states. As follow-on to the trainings on improved agronomic practices organized for farmers last quarter, the demonstrations this quarter were held to showcase a more hands-on approach to the improved agronomic methods. The demonstrations were participatory and well represented by female and youth farmers.

White Sorghum

MARKETS II is continuing to offer technical assistance to its private sector partner Aba Malting Plant (AMP), in Abia state, by facilitating the production and supply of quality and quantity sorghum to the firm. Activities conducted this quarter are as follows:

- MARKETS II held green field days for sorghum farmers in Kano and Kaduna states. These on-field trainings gave farmers a practical insight into the adoption of the improved technologies taught at the beginning of the planting season. Strengthening female participation, two out of the three demonstration farms used belonged to female lead farmers.
- MARKETS II paid monitoring visits to networked farmers' fields in Kano and Kaduna states. The trips conducted in partnership with the states' Agricultural Development Programmes (ADP) also presented an opportunity to monitor the delivery of step down trainings in the states. In Bunkure and Kiru local government areas (LGAs), most farmer cooperatives had completed step down trainings. Germination in both LGAs had been good and no major pest incidents observed. In Giwa LGA of Kaduna state a 17-day dry spell had affected sorghum establishment. Though the four farmer groups in the area had stepped down the pre-season trainings, the dry spell delayed planting. In Soba LGA all the groups had completed step down trainings. Bird attacks were observed as a result of their late planting, affected farmers were refilling the holes with thinned plants from congested stands.
- MARKETS II took field trips with Aba Malting Plant (AMP) and IAR to monitor the establishment and performance of the sorghum hybrid plots established in Kaduna and Kano

states. The demonstration plots have been cultivated with two hybrids - CSR -03H and CSR - 04H. In Kaduna state the fields planted on July 7th and earlier showed to all be doing well with plants growing vigorously. Some other plots visited within the state were planted later as a result of the drought experienced within the villages. In Kano state the largest plot established was visited. It was decided that the plot will be split into four replications. Other establishments visited in the state were emerging well.

Maize

MARKETS II is providing capacity building support to farmers and partnering with Grand Cereals Limited (GCL) and Novum Limited on the maize value chain. One major activity was focused on this quarter:

- MARKETS II held green field days for maize farmers in Soba, Kajuru, and Giwa local government areas (LGAs) of Kaduna state. The green field days were held to showcase the benefits of improved and well-timed production practices, and to provide further agronomic guidance to farmers. The demonstrations were attended by staff of MARKETS II and SG 2000, 24 extension agents, and District Heads. Host farmers were also given the opportunity to share the steps and techniques employed on their farms.

Gender and Vulnerable Groups Integration / Economics Strengthening

The following activities occurred under this program area:

- MARKETS II facilitated a Microenterprise Fundamentals (MEF) master trainers' workshop in Makurdi, Benue state.
- MARKETS II held a meeting with the Joint Network of People Living with Disabilities in Nigeria to discuss possible ways of integrating them into MARKETS II's value chain activities.
- MARKETS II worked to ensure the participation of women farmers during green field demonstrations across all value chains, and utilized demonstration plots owned by female lead farmers.
- Commenced developing a gender and vulnerable groups integration strategy for MARKETS II.

PIND and Business Development Services

MARKETS II reports activities related to PIND under this program area, as well business development activities. This quarter the following activities occurred:

- MARKETS II commenced adapting the Nigerian Agricultural Enterprise Curriculum (NAEC) for aquaculture and cocoa, and worked to improve its relevancy for other staple crops by simplifying and streamlining its content and presentation. MARKETS II held a 4-day curriculum adaptation and development workshop for selected certified NAEC trainers, and PIND and MARKETS II staff. Resulting from the workshop, a draft aquaculture curriculum was developed, comprising a trainer's guide, work book, price chart, farming calendar and simulation manual.
- MARKETS II completed the framework for organizational capacity assessment of five service providers based on USAID's Organizational Capacity Assessment Tool and Methodology. The capacity assessments commenced in September with Sasakawa Global 2000 in Kano, and EGALF Ventures Limited in Makurdi. Assessments of the three remaining service providers will be completed in October. The report of findings will inform the approach for building the capacities of service providers.
- MARKETS II drafted and submitted a summary of business training programs planned under MARKETS II (NAEC, MEF and agric. finance) to USAID and CBN/NIRSAL.
- MARKETS II attended a meeting held with PIND and the Rivers State Sustainable Development Agency (RSSDA) to discuss partnering in Rivers state. It was agreed that RSSDA will allocate an office to PIND in the Rivers State Partnership for Sustainable Development (RSPSD) offices, and also provide logistics and security support to them. PIND will in turn provide institutional strengthening to RSPSD.

- MARKETS II collaborated with PIND to organize an aquaculture stakeholder's workshop in Warri, Delta state. At the workshop MARKETS II presented a paper on 'MARKETS' experiences in the aquaculture sector and MARKETS II aquaculture activity plan for the Niger Delta Region'.
- MARKETS II attended a meeting with representatives of PIND and Catholic Relief Services (CRS) to discuss possibilities of a partnership with CRS on the development of cassava stem cuttings.

The indicators associated with the program intermediate result of producers' capacity development and organizations strengthened are as follows:

PIR 1.1: FTF 4.5-4 Gross Margin per unit of land, kilogram, or animal of selected product (crops/animals/fisheries).

Table 1: Gross Margin per unit of land, kilogram, or animal of selected product

Commodity	FY 12 Target (Fast Track)	This Quarter's Target	This Quarter's Actual
Maize	\$ 325	\$ 0	\$ 0
Rice	\$ 1,380	\$ 0	\$ 0
Sorghum	\$ 230	\$ 0	\$ 0
Sesame	\$ 380	\$ 0	\$ 0

This Quarter's Target: 0. This Quarter's Actual: 0. Due to the agronomic cycle, data for this indicator will be available at the end of the season after harvest and sales are completed for the fast track commodities in February 2013. The gross margin for the selected commodities will be reported in April 2013 quarterly report for the cropping season of FY 12. MII is currently in the field collecting primary data in targeted crops and states as input into this indicator.

This Quarter's Target: 35, 500 (M: 26,650, F: 8,850). This Quarter's Actual: 30,924, (M: 20,902, F: 10,022) A total of **30,924** outgrowers were reached this quarter as follows: 17,766 rice farmers in Anambra (2,133), Benue (6,920), Ebonyi (4,009) and Kwara (4,704) states, 1,158 sesame famers in Jigawa (761) and Taraba (397) states. 12,000 maize farmers in Kaduna . Specific trainings conducted across the value chains to farmers using TOT models were green field days for Maize (576) in Kaduna, 612 sorghum in Kaduna (408) and Kano (204), 1884 Rice farmers in Ebonyi (387), Benue (231), Anambra (505), Kwara (302), Kano (273 including 73 seed outgrowers), Jigawa (60), Sokoto (50) and Kebbi (76).

Table 2: People trained on short-term agricultural sector productivity or food security training

Training Name	#3 Short-term ag sector productivity				
	MA	MY	FA	FY	TOTAL
Total beneficiaries reached	20,883	19	10,021	1	30,924
Rice farmers Networked -Anambra	1,214	0	919	0	2,133
Rice farmers Networked -Benue	4,891	0	2,029	0	6,920
Rice farmers Networked - Ebonyi	1,860	0	2,149	0	4,009
Rice farmers Networked - Kwara	3,458	0	1,246	0	4,704
Sesame farmers networked - Jigawa	721	0	40	0	761
Sesame farmers networked - Taraba	304	0	93	0	397
Maize farmers Networked - Kaduna	8,435	19	3,545	1	12,000

During the quarter, M II conducted trainings on the Nigerian Agricultural Enterprise Curriculum (NAEC) for 10 master trainers in Abuja. In order to capture the farmers' costs, yields and sales for the harvesting season, 113 service providers, enumerators and supervisors from the ADP were trained in Kaduna (46) and Kano (67) to carry out data collection in Northern states of Kaduna, Kano, Kebbi, Jigawa, Sokoto and Taraba. In the same period, 11 EAs were trained on UDP technology using TOT model. In addition 681 farmers were trained on UDP technology in Kano (381), Jigawa (100), Sokoto (70) and Kebbi (130). The lead farmers trained were prepared on various planting activities, new skills in UDP and will step down the trainings to other farmers in the coming weeks.

KRA 1.3.2: Number of members of producer organizations and community based organizations receiving USG assistance. Fast Track Target: 55,600 (M: 38,920, F: 16,680). Fast Track Actual to Date: 63,828, (M: 42,279, F: 21,549).

This Quarter's Target: 21,600 (M: 15,920, F: 5,680). This Quarter's Actual: 30,924 (M: 20,902, F: 10,022). During the quarter, a total of 904 producers groups were assisted on best agronomic practices and linkage to inputs. The number of the members of the producers organization assisted was 30,924 comprising 17,766 rice farmers in Anambra 2,133 (M: 1214, F: 919), Benue 6,920 (M: 4891, F: 919),Ebonyi 4009 (M: 1860, F: 2,149), 4,704 Kwara (M: 3,458, F: 1,246), 1,158 sesame farmers in Jigawa 761 (M:721, F: 40) and Taraba 397 (M: 304, F: 93) and 12,000 maize farmers in Kaduna (M: 8,454 , F: 3,546). MII is above this target by approximately 15% as a result of encouraging smaller group members as against initially anticipated as the project plans for new seasons, this information will guide the projections.

Table 3: Number of members of producer organizations and community based organizations receiving USG assistance

Training Name	Members of Producer organizations and CBOs receiving USG assistance.				
	MA	MY	FA	FY	TOTAL
Total beneficiaries reached	20,883	19	10,021	1	30,924
Rice farmers Networked -Anambra	1,214	0	919	0	2,133
Rice farmers Networked –Benue	4,891	0	2,029	0	6,920
Rice farmers Networked – Ebonyi	1,860	0	2,149	0	4,009
Rice farmers Networked – Kwara	3,458	0	1,246	0	4,704
Sesame farmers networked – Jigawa	721	0	40	0	761
Sesame farmers networked – Taraba	304	0	93	0	397
Maize farmers Networked - Kaduna	8,435	19	3,545	1	12,000

KRA 1.1.4: Number of rural households benefitting directly from USG interventions. Fast Track Target: 101,000, Fast Track Actual to Date: 65,808.

This Quarter's Target: 66,000. This Quarter's Actual: 30,924. A total of 30,924 rural households were reached this quarter as follows: 17,766 rice farmers in Anambra 2,133 (MNF: 1305, FNM: 578, FAM: 250, CAN: 0), Benue 6,920 (MNF: 2,863, FNM: 1,504, FAM: 2553, CAN: 0),Ebonyi 4009 ((MNF: 253, FNM: 369, FAM: 3,387, CAN: 0), 4,704 Kwara (MNF: 347, FNM: 43, FAM: 4,314, CAN: 0), 1,158 sesame farmers in Jigawa 761(MNF: 243, FNM: 2, FAM: 516, CAN: 0) and Taraba

397 (MNF: 95, FNM: 10, FAM: 292, CAN: 0) and 12,000 maize farmers in Kaduna (MNF: 314, FNM: 829, FAM: 10,837, CAN: 20). MARKETS II was short of the target set during this quarter as cassava, cocoa and aquaculture were not included in the fast track activities. As soon as activities on the new selected value chains commence MII will make up for this shortfall and still achieve the LOP target on this indicator.

Table 4: Rural households directly benefiting from USG interventions

Training Name	Rural Household				
	MNF	FNM	FAM	CNA	TOTAL
Total beneficiaries reached	5,420	3,335	22,149	20	30,924
Rice farmers Networked -Anambra	1,305	578	250	0	2,133
Rice farmers Networked –Benue	2,863	1,504	2,553	0	6,920
Rice farmers Networked – Ebonyi	253	369	3,387	0	4,009
Rice farmers Networked – Kwara	347	43	4,314	0	4,704
Sesame farmers networked – Jigawa	243	2	516	0	761
Sesame farmers networked – Taraba	95	10	292	0	397
Maize farmers Networked – Kaduna	314	829	10,837	20	12,000

KRA 1.4.2: Number of MSMEs, including farmers, receiving business development services from USG assistance sources. Fast Track Target: 159,100 (M: 111,370 F: 47,730). Fast Actual to Date: 64,509 (M: 42,686, F: 21,823).

This Quarter's Target: 125,100 (M: 89,370, F: 35,730). This Quarter's Actual: 30,924 (M: 20,902, F: 10,022). A total of 31,605 farmers were reached comprising 17,776 rice farmers, 1,158 sesame farmers and 12,000 maize farmers. MARKETS II was short of the target set during this quarter as cassava, cocoa and aquaculture were not included in the fast track activities. As soon as activities on the new selected value chains commence MII will make up for this shortfall and still achieve the LOP target on this indicator.

Table 5: Number of MSMEs receiving BDS from USG assistance sources

Training Name	#13 MSMEs				
	MA	MY	FA	FY	TOTAL
Total beneficiaries reached	20,883	19	10,021	1	30,924
Rice farmers Networked -Anambra	1,214	0	919	0	2,133
Rice farmers Networked –Benue	4,891	0	2,029	0	6,920
Rice farmers Networked – Ebonyi	1,860	0	2,149	0	4,009
Rice farmers Networked – Kwara	3,458	0	1,246	0	4,704

Sesame farmers networked – Jigawa	721	0	40	0	761
Sesame farmers networked – Taraba	304	0	93	0	397
Maize farmers Networked – Kaduna	8,454	19	3,546	1	12,000

PIR 3.1.1: Number of public-private partnerships formed as a result of USG assistance. Fast Track Target: 30. Fast Track Actual to Date: 14

This Quarter's Target: 26. This Quarter's Actual: 10. A total of 4 public-private partnerships (PPP) were formed this quarter in support of MARKETS II objectives as follows:

- 1 PPP formed between MARKETS II, UMZA International Farms and Jigawa State Agricultural and Rural Development Authority under Northern Rice program.
- 1 PPP formed between MARKETS II and Development Exchange Center (DEC) under MARKETS II credit program.
- 4 PPPs formed between MARKETS II and four (4) small scale processors in Kwara State under Middle Belt Regional Office rice program.
- 1 PPP formed between MARKETS II, Food Agro and Allied Industries, Techni Seeds Limited and Kano State Agricultural and Rural Development Authority under Northern Sorghum program.
- 1 PPP formed between MARKETS II, Grand Cereals Limited (GCL), and Kaduna State Agricultural and Rural Development under the Maize program in Kaduna
- 1 PPP formed between MARKETS II and Wema Bank Plc under MARKETS II credit program.
- 1 PPP formed between MARKETS II and Sterling Bank Plc under MARKETS II credit program.

MII did not achieve the target under this indicator principally as a result of the exclusion of aquaculture, cassava and cocoa during the first six months of the project and also as a result of reorganization going on within the banking. The banks are just beginning to come into partnership, and the project already recorded two (2) PPPs. MARKETS II will further consolidate on this indicator as full VCs are implemented within the selected states and commodities.

FTF: 4.5.2-43 Number of firms (excluding farms) or CSOs engaged in agricultural and food security-related manufacturing and services now operating more profitably (or at above cost) because of USG assistance.

No target was set for this indicator under fast track. As activities on the selected value chains commence, MARKETS II will set relevant targets for this indicator.

FTF: 4.5-2: Number of jobs attributed to FTF Implementation. Fast Track Target: 40 (M: 28, F: 12), Fast Track Actual to Date: 0

This Quarter's Target: 40. This Quarter's Actual: 0. MARKETS II hopes to report on this indicator next quarter when all the Implementation Agreements with partners are fully operational. As experienced during the BtM2 project, no on-farm jobs met the Feed the Future definition of lasting at least one month. MII expects that jobs from private sector partners and cassava program may qualify for this indicator. The cassava farmers are engaging long term jobs on the field through contracts that span over the entire growing season. As soon as cassava program and other VC partners are on board, MII will start to record and attempt to meet the target for this indicator.

FTF 3.3.3-15: Number of USG social assistance beneficiaries participating in productive safety nets. Fast Track Target: 1,800 (M: 180, F: 1620), Fast Track Actual to Date: 28

This Quarter's Target: 1780. This Quarter's Actual: 10. MARKETS II reports trainings that provide participants with knowledge and skills needed to increase income and assets. Livelihood and nutrition and NAEC training participants fall under this indicator. During the quarter 10 lead aquaculture farmers received NAEC training under the PIND partnership. The target under this indicator was not achieved as MARKETS II is still waiting for the announcement of the PEPFAR award and subsequent partnership.

FTF 4.5.2-14: Number of vulnerable households benefiting directly from USG interventions. Fast Track Target: 1,800. Fast Track Actual to Date: 0

This Quarter's Target: 1800 This Quarter's Actual: 0. MII reports on number of people receiving nutrition and livelihood trainings under this indicator. The training participants will be selected on their vulnerable status. Household economic strengthening group is waiting for the announcement of the Scale-up OVC award and subsequent wrap-around activity with the organization.

FTF 3.1.9-1: Number of people trained in child health and nutrition through USG-supported programs. Fast Track Target: 1,800 (M: 180, F: 1620), Fast Track Actual to Date: 0

This Quarter's Target: 1800. This Quarter's Actual: 0. MII will report on number of care givers and community health workers receiving nutrition and livelihood trainings under this indicator. The target under this indicator was not achieved as MARKETS II is still waiting for the announcement of the PEPFAR award and subsequent partnership.

FTF 3.1.9-15: Number of children under five reached by USG-supported nutrition programs. Fast Track Target: 3,600 (M: 1800, F: 1800), Fast Track Actual to Date: 0.

This Quarter's Target: 3,600. This Quarter's Actual: 0. MARKETS II will report on this indicator based on targeted nutrition program towards children under the age of 5 years. This indicator like others under HES was not achieved as a result of waiting for PEPFAR partners to be announced by USAID.

CUSTOM: Increased productivity of selected commodities. Fast Track Target: Maize 4.5, Rice 5.5, Sesame 0.75, Sorghum 2.2, Cassava 25.0. Fast Track Actual to Date: 0

As a result of agronomic circle, increased productivity of selected commodities is an annual indicator. It will be reported after harvest in January FY 2013 quarterly report. MII is currently on the field collecting primary data in targeted crops and states as input into this indicator.

Program Area 2: Access to Agricultural Inputs Increased

MARKETS II, with subcontractor IFDC, works with smallholder farmers, producer associations, financial institutions, private sector input suppliers, state governments, and public and private sector extension services to improve smallholder access to inputs through private sector distribution networks. Activities carried out this quarter include:

- MARKETS II worked with the Taraba state government, Springfield Agro, Notore fertilizer suppliers, and the Federal Ministry of Agriculture and Rural Development (FMARD) to wind up the fertilizer voucher program under FMARD's Growth Enhancement Support (GES) scheme. Approximately 40,000 farmers in Taraba state purchased two 50kg bags of fertilizer at a discounted rate via the private sector. Phone numbers and identification numbers for more than 30,000 farmers were also collected; which will enable them to participate in the 2013 GES program. MARKETS II plans to assess the scheme's successes and challenges during the next quarter to identify key learning points for future programs.

- MARKETS II attended a meeting held with representatives of the Federal Fertilizer Department, NPAFS, Institute for Agricultural Research (IAR), fertilizer companies (Notore, Springfield Agro, and TAK), and value chain zonal coordinators on the Agricultural Transformation Agenda. The theme of the meeting was 'exiting from blanket to soil/crop specific fertilizer recommendations through the use of multi-dimensional trials'. It was held to define the roles and responsibilities of stakeholders involved in the project. The potential benefits of the trials include increased efficiency of fertilizer, cost effectiveness, and soil and environmental sustainability. Results of the findings will be made available to fertilizer companies, extension agents, farmer cooperatives, and other stakeholders.
- MARKETS II introduced the Urea Deep Placement (UDP) technology to rice farmers in Kano, Kebbi, Jigawa, Sokoto, Anambra, Benue, Kwara, and Ebonyi states by demonstrating the Urea Super Granule (USG) application technique.
- MARKETS II commenced working on the production of an illustrative UDP farmers' manual and a new curriculum for training farmers.
- MARKETS II assessed and identified challenges in Notore's supply chain. The project is now developing a training curriculum for Notore's supply chain actors to aid in improving their USG marketing strategy.
- MARKETS II is working with GES stakeholders to facilitate a technical exchange within the fertilizer industry. MARKETS II is also working with FMARD to develop a terms of reference (ToR) to engage service providers for the 2013 GES scheme.

Program Area 3: Technology Generation and Deployment Expanded

MARKETS II supports the generation of new, locally produced technology or adaption of new technology to the local context. The project also focuses efforts on the dissemination of proven technologies to smallholders and agribusinesses in support of increased and more efficient agriculture including improved varieties of target crops and promoting sustainable soil and water management practices. This quarter the following activities occurred:

- MARKETS II conducted green field demonstrations for rice, maize, sesame, and sorghum farmers on improved agronomic methods for land clearing, seed selection, spacing, fertilizer application, weeding, and pest control in Jigawa, Bauchi, Katsina, Kaduna, Sokoto, Anambra, Kwara, Kano, Ebonyi, Benue, and Kebbi states.
- MARKETS II introduced the UDP method to rice farmers in Kano, Kebbi, Jigawa, Sokoto, Anambra, Benue, Kwara, and Ebonyi states, and demonstrated the USG application technique for them.
- MARKETS II conducted preseason trainings for rice farmers in Anambra, Kwara, Ebonyi, and Benue states. The training covered planting, harvest and post-harvest handling.
- MARKETS II facilitated training on rice seed production techniques for Notore's seed outgrowers.

The indicators associated with the program intermediate result of technology generation and deployment expanded are below.

KRA 1.1.2: Number of farmers and others who have applied new technologies or management practices as a result of USG assistance. Fast Track Target: 69,500 (M: 48,650, F: 20,850); Fast Track Actual to Date: 63,810 (M: 42,263, F: 21,547)

This Quarter's Target: 35,500 (M: 22,000, F: 12,000). This Quarter's Actual: 30,924 (M: 20,902, F: 10,022). During this quarter, the following technologies and management practices were made available to new set of 32,886 (M: 21,361, F: 11,525) farmers. The technologies and management practices recorded includes:

- FARO 44 (rice) – newly networked farmers

- FARO 52 (rice) - newly networked farmers
- FARO 57 (rice) - newly networked farmers
- UDP/USG Technology – newly networked farmers
- White sorghum (KSV – 8, Fara Fara) – Newly networked farmers
- Pest and diseases control (Sesame) – Newly Networked farmers

KRA 1.1.1: Number of hectares under improved technologies or management practices as a result of USG assistance. Fast Track Target: 69,500 Ha (M: 48,650, F: 20,850), Fast Track Actual to Date: 90,213.9 Ha (M: 60,036.9, F: 30,177)

This Quarter's Target: 35,500 Ha (M: 26,650, F: 8,850). This Quarter's Actual: 42,575.5 Ha (M: 29,945, F: 12,630.5). This quarter 42,575.5 hectares have been brought under improved technologies or management practices as follows:

Table 6: Number of Hectares under improved technologies or management practices

S/N	Crop/Location	Total Hectares	Male (Ha)	Female (H)
1	Rice – Anambra	3,940.5	2,459	1,481.5
2	Rice – Benue	9,231	6,791	2,440
3	Rice – Ebonyi	6,446	3,057	3,389
4	Rice – Kwara	6,822	5,428	1,394
5	Sesame – Jigawa	1,089	1,035	54
6	Sesame – Taraba	397	304	93
7	Maize – Kaduna	14,650	10,871	3,779
	Total	42,575.5	29,945	12,630.5

MARKETS II was above the target for this indicator as a result of working with farmers that are now cultivating more than 1ha. MARKETS II's target population is those farmers with five hectares or less. During planning, we anticipated that each farmer will be putting an average 1ha to use. However, more farmers are increasing their hectares now. On the average, the farmers we worked with are farming approximately 1.4ha an increase over the anticipated 1ha. Future targets will be informed by this.

FTF 4.5.2-11: Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance. Fast Track Target: 1,645; Fast Track Actual to Date: 2,307

This Quarter Target: 145. This Quarter Actual: 904. During this quarter targeted trainings and capacity building were conducted for out grower groups under fast track commodities comprising rice, sesame, and sorghum. The groups were assisted on best agronomic practices and linkage to inputs.

In all a total of **904** producer organizations received assistance as follows:

- **Rice:** 775 (Anambra 114, Benue 295, Ebonyi 219, Kwara 147,)
- **Sesame:** 63 (Jigawa 37, Taraba 26)
- **Maize:** Kaduna (66)

MII was above this target as a result of group members becoming smaller in number than anticipated. This makes the groups more cohesive and better managed.

Program Area 4: Water and Soil Management Strengthened

MARKETS II supports the development and dissemination of innovative soil and water best practices and the adoption of stress-tolerant varieties at the farmer-level. MARKETS II will also support the rehabilitation of small-scale irrigation systems and the provision of operations and maintenance training.

Key indicators associated with this program area include:

KRA 1.1.2: Number of farmers and others who have applied new technologies or management practices as a result of USG assistance. Fast Track Target: 69,500 (M: 48,650, F: 20,850); Fast Track Actual to Date: 62,638 (M: 42,263, F: 20,375)

This Quarter's Target: 35,500 (M: 26,650, F: 8,850). This Quarter's Actual: 30,924 (M: 20,902, F: 10,022). During this quarter, the following technologies and management practices were made available to new set of 30,924 (M: 20,902, F: 10,022) farmers. The technologies and management practices recorded includes:

- FARO 44 (rice) – newly networked farmers
- FARO 52 (rice) - newly networked farmers
- FARO 57 (rice) - newly networked farmers
- UDP/USG Technology – newly networked farmers
- Pest and diseases control (Sesame) – Newly Networked farmers

FTF 4.5.2-11: Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance. Fast Track Target: 1,645; Fast Track Actual to Date: 2,307

This Quarter Target: 145. This Quarter Actual: 904. During this quarter targeted trainings and capacity building were conducted for out grower groups under fast track commodities comprising rice, sesame, and sorghum. The groups were assisted on best agronomic practices and linkage to inputs.

In all a total of **904** producer organizations received assistance as follows:

- **Rice:** 775 (Anambra 114, Benue 295, Ebonyi 219, Kwara 147,)
- **Sesame:** 63 (Jigawa 37, Taraba 26)
- **Maize:** Kaduna (66)

MII surpassed this target as a result of the groups becoming smaller and giving rise to the formation of more groups. This way the groups are more cohesive and better managed.

Program Area 5: Access to Finance Increased

MARKETS II works on enhancing the capacities of commercial banks, microfinance institutions (MFI) and microfinance banks (MFB) to increase lending to the rural and agricultural sectors. In partnership with ShoreBank International, technical assistance will include the brokering of wholesale commercial loans for MFIs and MFBs, risk management training for commercial bank staff and financial modeling for typical agribusinesses in the MARKETS II selected value chains. MARKETS II will also provide technical assistance to commercial banks on guarantee schemes such as USAID Development Credit Authority (DCA) and the Nigerian Government's Nigeria Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL) program. MARKETS II will also seek to ensure access to finance for women and youth by promoting financial inclusion of vulnerable populations. The following activities were carried out this quarter:

- MARKETS II, in collaboration with Bank of Africa (BoA) and Stanbic IBTC Bank conducted loan recovery visits to defaulting farmer groups from last season. Some recoveries were made with other farmers promising to repay in the coming months.
- MARKETS II finalized and signed implementation agreements (IA) with financial institution partners Development Exchange Centre (DEC), Wema Bank, Sterling Bank, and the Lift Above Poverty Organization (LAPO).
- MARKETS II facilitated the revalidation of Kano rice farmers' loan offer from last season. The documentation process for disbursement this season has commenced.
- MARKETS II attended a meeting organized by NIRSAL with financial institutions and mechanization vendors/service providers. The meeting was held to discuss the development and standardization of the terms of business under NIRSAL's mechanization financing framework.

The indicators associated with the program intermediate result of access to finance are below.

KRA 1.4.1: Value of agricultural and rural loans (\$). Fast Track Target: \$ 4.5m (M: \$ 0.68m, F: \$ 3.83m), Fast Track Actual to Date: \$ 0m

This Quarter's Target: \$ 4.5m. This Quarter's Actual: \$ 0. MII will report on agricultural and rural loans during the next quarter when all implementation agreements on credit have been formalized.

KRA 1.4.2: Number of MSMEs, including farmers, receiving USG assistance to access loans. Fast Track Target: 20,000 (M: 3,000, F: 17,000). Fast Actual to Date: 0.

This Quarter's Target: 20,000. This Quarter's Actual: 0. MARKETS II will report on this indicator during the next quarter when IAs with commercial and MFIs would have been formalized.

FTF 4.5.2-37: Number of MSMEs, including farmers, receiving business development services from USG assistance sources. Fast Track Target: 159,100 (M: 111,370 F: 47,730). Fast Track Actual to Date: 64,509 (M: 42,686, F: 21,823).

This Quarter's Target: 125,100 (M: 89,370, F: 35,730). This Quarter's Actual: 31,605 (M: 21,309, F: 10,296). A total of 31,605 farmers were reached comprising 17,776 rice farmers, 1,158 sesame farmers and 12,000 maize farmers.

Table 7: Number of MSMEs receiving BDS from USG assistance sources

Training Name	#13 MSMEs				
	MA	MY	FA	FY	TOTAL
Total beneficiaries reached	21,153	156	10,156	140	31,605
Rice farmers Networked -Anambra	1,214	0	919	0	2,133
Rice farmers Networked –Benue	4,891	0	2,029	0	6,920
Rice farmers Networked - Ebonyi	1,860	0	2,149	0	4,009
Rice farmers Networked – Kwara	3,458	0	1,246	0	4,704
Sesame farmers networked – Jigawa	721	0	40	0	761
Sesame farmers networked – Taraba	304	0	93	0	397
Maize farmers Networked – Kaduna	8,454	0	3,546	0	12,000

MII did not achieve the target set as a result of late take off of credit program and exclusion of cassava, cocoa and aquaculture during the fast track. Now that the value chain analyses and states selection have been completed and implementation agreements have been signed with some financial institutions, MII will work at achieving the target by introducing targeted activities to meet the target.

FTF 4.5.2-12: Value of new private sector investment in the agriculture sector or food chain leveraged by the FTF implementation.

No target was set for this indicator. MARKETS II is waiting for the outcome of the planned value chain analysis to be able to set targets as most of the fast track partners just recently invested in equipment and facilities upgrade as such no new investments are anticipated.

FTF: 4.5.2-43 Number of firms (excluding farms) or CSOs engaged in agricultural and food security-related manufacturing and services now operating more profitably (or at above cost) because of USG assistance.

No target was set for this indicator under fast track. MARKETS II is waiting for the outcome of the value chain analysis that will determine value chain of interest to be able to determine reasonable and achievable targets.

CUSTOM: Public and private funds leveraged for agriculture and rural development (\$millions). Fast Track Target: \$ 4.5 million. Fast Actual to Date: \$ 0.

This Quarter's Target: \$ 4.5. This Quarter's Actual: \$ 0. MARKETS II is currently finalizing Implementation agreements with both public and private partners. As soon as the process is finalized, MARKETS II will begin to report on the indicator from the next quarter.

Program Area 6: Grants and Subcontracts Fund

The MARKETS II Grants and Subcontract Fund (GSF) supports innovative applications within the selected value chains that will enhance productivity, increase efficiency, and improve prospects for producers and agribusinesses. The following activities were conducted this quarter:

- MARKETS II awarded Fixed Price Service Agreements (FPSA) to four events managers to provide support to the pre-season training of trainers (ToT) workshops held in Anambra, Ebonyi, Kwara, and Benue states. FPSAs were also awarded to four events managers for logistics support at green field demonstrations held in Ebonyi, Benue, Anambra and Kwara.
- MARKETS II awarded a total of nine subcontracts between Agricultural Business Concepts (ABC), Diamond Development Initiatives (DDI), Egalf Ventures Limited, ENVOY Consult, REMIF Ventures (REMS), and Sasakawa Global-2000 (SG2000) to provide technical assistance on the rice, maize, sorghum, soybean, aquaculture, cassava, and cocoa value chain analyses.
- MARKETS II received/followed-up on invoices and reports for completed subcontract deliverables, and processed payments.

The program intermediate results indicators associated with program area 6, grants and subcontract fund activities are below:

Custom: Number of Beneficiaries under the Grants and Subcontracts Fund. Fast Track Target: 6, Fast Track Actual to Date: 6.

This Quarter's Target: 6. This Quarter's Actual: 6. During this quarter MARKETS II issued nine subcontracts to six service providers for the value chain analyses as follows: three subcontracts with Envoy Consult for cassava (Edo, Ondo and Ogun), cocoa (Ondo, Oyo, Osun and Cross River), and aquaculture (FCT, Lagos and Ogun state); two subcontracts with Diamond Development Initiative for

sorghum (Kano, Katsina and Kaduna) and rice (in Jigawa and Kebbi); one with Rems Konsult for rice (Anambra and Ebonyi), one with Egalf Ventures Limited for rice (Benue), and two with Sasakawa Global 2000 for maize (Kaduna, Plateau and Nassarawa) and Soybean (Niger, Kaduna, Nassarawa and Benue).

Custom: Amount of grants and subcontract funds awarded in millions (\$). Fast Track Target: \$ 682,542.67, Fast Track Actual to Date: \$ 682,542.67.

This Quarter's Target: \$ 649,080.63. This Quarter's Actual: \$ 649,080.63. During the quarter, the sum of \$ 649,080.63 was expended on subcontracts for the value chain analyses across seven commodities in 20 states.

Program Area 7: Program Modifier/Rapid Response Mechanism

Although no indicators are attached to this program area, MARKETS II will track and report all activities funded through this mechanism. For the quarter July – September there are no activities to be reported under this program area.

Cross-Cutting Issues

MARKETS II's communications, capacity building/external relations, environmental compliance, and M&E activities are reported under this section.

Capacity Building

Activities under this indicator include lending support to value chains activities and offering assistance to the government of Nigeria (GoN) by supporting its Agricultural Transformation Agenda (ATA), cultivating other partnerships, and general external relations. The following activities were carried out this month:

- Collected qualitative and quantitative data through interviews with producers, processors, traders, service providers, input dealers, and financial institutions for analyses of seven value chains; rice, sorghum, cassava, sesame, cocoa, aquaculture, and soybean. A first draft of the reports will be submitted to USAID for review in the second week of the next quarter.
- Attended a two day workshop organized by ActionAid with the theme 'Capacity Building Training on Network and Coalition Building for Smallholder Women Farmer Groups and Organizations'. MARKETS II spoke about its approach, value chain and states selection processes, project indicators, grants and subcontract fund mechanism, livelihood and nutrition program, NAEC, and ongoing fertilizer projects. The workshop was attended by organizations such as FAO, Enterprise Bank, and Voluntary Service Overseas (VSO), and by 35 women representing a wide range of associations; including two groups of women agro processors.
- Facilitated meetings between USAID Nigeria and USAID Washington Bureau for Food Security team with civil society organizations and key private sector companies in Abuja, Lagos and Ibadan.
- Held individual meetings with Primlaks Nigeria Limited, Opportunities Industrialization Center International (OICI), and Eastern Metals to discuss potential partnerships.
- Attended a rice stakeholders meeting convened by the Federal Minister of Agriculture and Rural Development. The meeting was attended by the ministry's rice transformation team, members of Rice Farmers' Association of Nigeria (RIFAN), rice millers and representatives of development agencies. The meeting's focus was 'how to meet the deficit in quantity and quality of rice seeds and paddy'.
- Participated in the commemorative launch of the office of Centre for International Private Enterprise (CIPE) in Lagos.

Communications

- MARKETS II prepared to conduct media tours of project sites in selected states.
- MARKETS II designed draft project brochure.

Environmental Compliance

- MARKETS II inspected UMZA's new effluent treatment plant that would enable it to recycle and re-use water to generate steam; in place of discharging it into nearby fields. The firm has also installed machinery that collects and compacts dust generated from the mill for use as organic fertilizer.
- Popular Farms has installed a state-of-the art effluent treatment plant which uses the principle of reverse osmosis to recover and re-use water for steam generation in parboiling. The mill is offering to sell 150MT of broken rice which does not meet its specifications to MARKETS II's poultry and fish feed partners at a discounted rate. NOVUM Agric. and DURANTE Fish Industries have been informed of this opportunity.
- MARKETS II took an assessment trip to new partner MIKAP Nigeria's rice mill in Makurdi. The company's effluent is created at parboiling point and managed through a pipe which is discharged into an open channel that runs into the river Benue. MARKETS II recommended better handling of effluent discharge out of the factory premises and the installation of air extractors in the factory to eliminate dusts. MIKAP produces husks which are not properly managed but is now in talks with a firm that wants to collect them to generate heat for paddy parboiling and drying.
- Continued to monitor training provided to networked farmers by service providers for compliance with the MARKETS II EMMP.

Monitoring and Evaluation

- Submitted draft PMP to USAID for MARKETS II
- Conducted training for enumerators in preparation for yield and income surveys in Kano and Kaduna states.
- Reviewed all subcontractors deliverables on fast track activities submitted during the quarter for data reconciliation and approval.
- Uploaded program data into PRS and TraiNet systems.
- Participated in NMEMS and IPs meeting. The focus of the meeting was on how NMEMS and IPs can work better together to respond to USAID/Nigeria's measurement and learning requirements. The IPs also provided input into NMEMS' work plan.

III. PROJECT MANAGEMENT

MARKETS II staffing shifted this quarter with three key personnel changes. MARKETS II Chief of Party Tim Prewitt resigned to take an opportunity as CEO of a small international NGO. A replacement was identified and is scheduled to begin in early October before Mr. Prewitt departs. MARKETS II's locally hired, expatriation Director of Finance and Operations Jean Jacques Badiane also resigned this quarter and was replaced by an interim director until a permanent director was hired, Mr. Ricardo Diaz, and brought on full-time in August. Finally the candidate that MARKETS II had identified for the M&E Specialist did not take the job when the contract was awarded due to other professional commitments. This quarter MARKETS II recruited a new M&E Specialist and he is expected to start in October.

IV. NEXT QUARTER ACTIVITIES AND RELATED TASKS

Program Area 1: Producers' Capacity Development and Organizations Strengthened

Rice

Activities for next quarter include:

- Conduct brown field day demonstrations in Anambra, Kwara, Ebonyi, and Benue states.
- Pay monitoring visits to farmers' fields, and review the adoption of best management practices in rice.
- Carry out sample harvesting in the middle belt states.
- Conduct group dynamics and leadership skills training for farmers in Kaduna state.
- Conduct postharvest training for rice farmers in Kano, Jigawa, Kebbi, and Sokoto states.
- Hold meeting with northern and middle belt rice stakeholders.

Sesame

Activities for next quarter include:

- Conduct postharvest training for sesame farmers in Jigawa, Bauchi, and Taraba states.
- Holding meeting with sesame stakeholders.

White Sorghum

Activities for next quarter include:

- Conduct postharvest training for 600 sorghum farmers in Kano and Kaduna states.
- Facilitate workshop with stakeholders.

Maize

Activities for next quarter include:

- Conduct postharvest training for farmers in Kaduna state.
- Organize stakeholders' meeting.

Gender and Vulnerable Groups Integration / Economic Strengthening

- Conduct stakeholders' meeting with the Joint Network of People Living with Disabilities in Nigeria, and carry out cluster assessment of people with disability organizations in selected states.
- Complete gender and vulnerable groups integration strategy.
- Organize a planning meeting with recipients of OVC scale-up award.
- Conduct two microenterprise fundamentals (MEF) and livelihood trainings of trainers (ToT) workshops.

PIND and Business Development Services

- Conduct assessment/mapping of aquaculture associations in Delta state, extending to other states subsequently. Associations identified from the mapping will be used for deeper organizational assessments to be conducted as part of training for PIND-identified service providers.
- Train service providers on organizational assessment methodology and practice.
- Conduct institutional capacity assessment for three service providers - REMIF Ventures, ENVOY Consults, and Agricultural Business Concepts (ABC).
- Train maize farmers in Kaduna on group dynamics and leadership skills, and review the training curriculums with subcontractor Making Cents International.
- Organize ToTs using the aquaculture-adapted Nigerian Agricultural Enterprise Curriculum (NAEC) in collaboration with PIND.

Program Area 2: Access to Agricultural Inputs Increased

Activities for next quarter include

- Conduct lessons learned workshop with Notore on "Building USG Supply and Demand". The workshop will review successes and challenges of supplying briquetted urea to targeted rice farmers in 2012 with the intention of improving supplies in 2013.
- Facilitate Agro Dealer Knowledge and Skills Training for 2012 Taraba GES participants.
- Establish 10 dry season UDP demonstration plots in the northern rice growing regions.
- Assess the willingness and capacity of other fertilizer companies to commercially briquette NPK.
- Work towards identifying government and private sector partners for 2013 GES/fertilizer voucher programs.
- Evaluate the completed 2012 Growth Support Enhancement (GES) scheme to identify learning points for future programs.

Program Area 3: Technology Generation and Deployment Expanded

Activities for next quarter:

- Demonstrate the use of bicycle powered maize shellers for farmers, and depending on level of interest solicit ways of making them available to farmers.
- Hold brown field day demonstrations across value chains.
- Conduct postharvest trainings on rice, maize, sesame, maize, and sorghum.
- Facilitate linkage with tractor owners/operators/associations and farmers to NIRSAL's mechanization financing scheme.

Program Area 4: Water and Soil Management Strengthened

Activities under this program area will take off as soon as a specialist is engaged.

Program Area 5: Access to Finance Increased

Activities for next quarter include:

- Conduct nationwide financial services market study to identify challenges and opportunities in the demand for and supply of financial services.
- Meet with the national association of microfinance institutions (MFI) and microfinance banks (MFB) to discuss partnership.
- Collect quarterly performance data from partner financial institutions LAPO, DEC and BoA.
- Identify and meet with tractor owners/operators/associations and farmers to create a linkage to NIRSAL's mechanization financing scheme.

Program Area 6: Grants and Subcontracts Fund

- Engage events managers for maize, rice, sesame and sorghum postharvest trainings.
- Issue requests for quotation and select events managers for brown field day demonstrations across value chains.
- Receive, review, and process payment of completed subcontracts deliverables.

Cross-Cutting Issues

Capacity Building

Activities for next quarter include:

- Finalize state selection for MARKETS II intervention programs.
- Draft memorandum of understanding (MoU) to be signed between selected states and USAID.
- Facilitate regional forums with representatives of selected states on execution of the MoUs signed with USAID.
- Continue to provide technical support to FMARD, liaising with them to develop a clear collaboration strategy with MARKETS II.

Communications

Activities for next quarter include:

- Conduct media tours of project sites in selected states.
- Print revised MARKETS II brochures.
- Finalize content and update project website.

Environmental Compliance

Activity for next quarter:

- Continue to monitor partners' compliance with the MARKETS II EMMP.

Monitoring and evaluation

- Draft and submit MARKETS II Implementation Plan and work plan to USAID.
- Train enumerators in preparation for yield and income surveys for Mid- Belt Rice program.
- Revise and re-submit PMP based on mission's review.
- Receive and analyze field level data for Mid-Belt and Northern commodities for computing the pre and in-season costs and yields for fast track commodities.

ANNEX 1. PERFORMANCE DATA TABLE FOR JULY – SEPT 2012

SEE ATTACHED



SUCCESS STORY

Farmer Affords Better Living Standard

Ensuring the integration of women, USAID empowers smallholder farmers to increase the quality and quantity of crop production



Photo: MARKETS

Justina's increased rice quality and quantity has helped her to expand her business and improve her standard of living. Thousands of other rice farmers across the country have also benefitted from USAID's assistance.

"This project has helped my family and I to discover the different methods to agriculture and how to increase my farm yield through better farming practices. We want to thank USAID, we can now afford many things", Justina said.

Prior to USAID's value chain intervention in Benue state, Justina Ihuma had farmed rice for over 20 years in her community of Ochodu Ukpa in Oju local government area (LGA). Her yield over the years averaged 1.3MT/ha annually which she sold in the open market at N5,000 per 100kg bag. Justina wanted to improve her income level, but no matter how much effort she put into her farm her yields remained the same. Her family lived a meager lifestyle and she could not provide her family with quality necessities of good shelter, education, and healthcare.

In 2008, USAID through its MARKETS project took its value chain development approach to Benue state. The project entered into a partnership with OLAM Nigeria; a large rice processing firm in the state. The terms of the agreement required MARKETS to work with farmers to ensure quality and quantity production of rice paddy in the state, while OLAM agreed to buy back the farmers' high quality paddy at premium prices. Justina was one of hundreds of farmers networked by MARKETS into its outgrowers scheme.

Justina and other farmers were trained on best agronomic practices, and participated in green field and brown field day activities. Justina described the key elements she took away from the trainings were the use of improved seeds, the construction of bunds for water management, proper application of fertilizers, timely harvesting, and record keeping. Justina was also linked to OLAM who gave her an input loan for seed, crop protective products and fertilizers.

After the training, and carefully applying all that she had learned on her farm, Justina's average yield increased from 1.3MT/ha to 5.1MT/ha (insert % increase). Selling at 10,000/100kg bag, her cumulative revenue rose from N250,000 to N2,050,000 (% increase). From this improved income she has repaid OLAM, started a fertilizer and agrochemical business, and constructed a storage house for her products. Her family's living condition has also improved. She has moved them to bigger house and is now able to afford swift medical care for them.

Speaking about her improved fortune she said of USAID's intervention; "this project has helped my family and I to discover the different methods to agriculture and how to increase my farm yield through better farming practices. We want to thank USAID, we can now afford many things".



SUCCESS STORY

Farmer Group Enriches Livelihood

USAID-funded capacity building initiatives have increased the yields and livelihood of farmer groups around the country



In the wake of their on-farm successes, the Noma da Kiwo Farmers' Cooperative is driven to achieve even more successes off-farm

USAID empowers Nigerian farmers to adopt improved cultivation techniques to enhance farm yields. Theoretical and practical trainings facilitated for members of Noma da Kiwo cooperative increased their yield by 357% from 0.7MT/ha to 2.5MT/ha.

The Noma da Kiwo Farmers' Cooperative Society, like hundreds of other farmer groups in Nigeria was established to prompt support towards economic development amongst members. Founded in Kaduna state in 2004, members of the Noma da Kiwo cooperative originally reared livestock from their monthly contributions. Needing to earn more income they diversified into sorghum production with each member cultivating 0.5 - 1ha of land. Through their hard work they yielded only an average of 0.7Mt/ha.

In 2008, USAID through its Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) project commenced working with sorghum farmers in Northern Nigeria to improve crop yield. Members of the Noma da Kiwo cooperative were among farmers selected to participate in trainings on best pre- and post-harvest agronomic techniques, business skills, and record keeping. In addition the farmers were introduced to improved sorghum seed varieties and to approved dealers for quality farm inputs.

After the trainings ended, members of Noma da Kiwo cooperative applied improved practices of timely planting, plant thinning, optimal spacing, frequent manual weeding, and micro-dose fertilization on their farms. At harvest the members' yields tripled from an average of 0.7MT/ha to 2.5MT/ha. They safely stored their grains without loss, sold at competitive rates, and kept good farm/inventory and sales records. From their improved profits they were able to increase their farm size to a minimum of 2ha each.

A second training on group dynamics was held for them. This training strengthened the group's cognitive and administrative ability. They appointed a seven-member executive board and took on ventures to benefit them like monitoring price trends, bargaining for premium purchase prices, and sourcing for loans. The group also established a joint plot of 3ha and commenced offering internal lending to members from monthly contributions. In 2010, the group, through partner Diamond Development Initiative (DDI) was also linked to a grant of N1.4m to encourage production.

Through the capacity building initiatives provided by USAID, the Noma da Kiwo cooperative has enriched its livelihood and has big plans for the future. They want to further expand their farm sizes and introduce mechanization. They also plan to establish their own warehousing facilities, and become seed suppliers within the next five years.



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NIGERIA

SUCCESS STORY

Training Boosts Farmer's Livelihood

Integrated value chain approach funded by USAID helps farmers to improve production and boost rural livelihoods.



Photo: MARKETS II

Gideon proudly shows off his 2012 cropping season rice field.

“USAID MARKETS has enabled me to improve my standard of living through their help in my rice business”, says Gideon Gaadi.

Gideon Gaadi is from Jakota community in Kwande local government area (LGA) of Benue state. A dedicated rice farmer, for years Gideon's sole source of livelihood was his farm, the proceeds from which he struggled to feed his family and send his four children to school. Over the ten year period that Gideon cultivated rice he yielded a maximum 2 metric tons (MT) per hectare and N100,000 in revenue. His poor yield left him economically challenged and his family's living standard low.

In 2009, Gideon was one of thousands of farmers across Nigeria selected to benefit from the USAID-funded MARKETS' agribusiness approach. Gideon with other farmers were trained on best pre and post season cultivation techniques; topics encompassing site selection, land preparation, minimum and zero tillage operations, seed variety selection, germination test for seeds, nursery establishment, transplanting, gap filling and thinning, weed control with manual and agro-chemical methods, fertilizer application, pests and diseases control, water management/bonding, rouging, harvesting, threshing, cleaning of threshed grains, drying of cleaned paddy, bagging, storage of paddy, farm planning and record keeping.

At planting Gideon overhauled his cultivation method; setting aside the techniques he had used over the past decade in favor of the modern practices he had just learned. When harvest came Gideon's yield had increased by 130% from 2MT/ha to 4.6MT/ha. Encouraged by this success he continued to adhere to this new technique, reaping 5MT/ha in 2010 and 4.9MT/ha in 2011. The improvements in not only paddy quantity but also quality ensures that Gideon has been able to sell his grains every year. In 2009 he sold to OLAM Nigeria through MARKETS' linkage, in 2010 he sold to independent marketers, and in 2011 through MARKETS II's predecessor project; BtM2, Gideon sold his grains to MIKAP Nigeria Limited.

With this increased fortune Gideon says he is able to promptly pay his children's school fees; two in primary and secondary schools, and two in university. Investing some of his profit he also diversified to the sale of agrochemicals within his community. Gideon continues to be amazed at the changes, saying; “USAID MARKETS has enabled me to improve my standard of living through their help in my rice business. I aspire to become one of the major rice growers in my area”.